

Aaron Appraisal Services Inc.

Appraisal - Research - Consultation Services

1771 Clairmont Way Atlanta, Georgia 30329 USA ♦ (404) 321-6369 ♦ Fax (404) 315-9569

March 31, 2008

Ms. Michele Schuff
Historic Collections Manager
The FOX Theatre
660 Peachtree Street
Atlanta, Georgia 30308

Dear Ms. Schuff:

As requested, I conducted an appraisal on one item of personal property understood to be owned by The FOX Theatre and which was inspected at the address listed above. The appraisal examination/inspection was conducted in your presence on December 19, 2007. The objective of the appraisal was to estimate the replacement cost of the listed item for use in establishing your insurance coverage needs. The estimated cost is effective as of the final inspection date. This appraisal is to be used **ONLY** for the function of obtaining insurance coverage. Any other use of this appraisal (such as for selling the property or for charitable donation purposes) renders it null and void. The replacement cost stated does not reflect any additional expenses which might be incurred in purchasing a replacement item such as sales tax or shipping costs or buyers premium (if buying at auction). This summary appraisal report is intended for use by you, my Client, and your insurance agent. Materials, research reports, and notes used in preparing this appraisal report are retained in the work file. I have listed the item below along with my appraisal and comments.

In summary, the replacement cost of the appraised item is \$4,800,000.00. The definition for replacement cost comparable, which was utilized, is below:

1. *Replacement cost comparable is the cost necessary to replace the item being appraised with a COMPARABLE item of property of like kind, age, quality and utility having similar wear and tear, decay or defects, and obsolescence as the items being appraised. Replacement cost comparable assumes that exact duplicates cannot be found for the property being appraised.*

After due consideration of the *Cost* and *Income* approaches which were found to be inappropriate, the appraiser has utilized the appraisal methodology known as the *Sales Comparison* or *Market Data* approach. In this report, the market data approach to valuation (the market data approach compares the item being appraised with sales of similar sold properties) has been used. In this approach, the appraiser goes directly into the market place and compares data of like or similar type property in order to estimate the value of the subject property. After the appraiser collects comparable sales data, whenever applicable these sales are analyzed for differences such as: *quality, rarity, subject matter or style, medium or materials, size, condition, period of execution, time of the sale, location of the sale, provenance, exhibitions, literature, unusual demand or fad*. Based on these comparisons the appraiser makes adjustments and reconciles the available data, thereby estimating the defined value for each item appraised.

In general, values are estimated by consultation with and/or use of several types of resources including specialist dealers, auction sales results, recognized price guides, actual sales by dealers, antique shows, galleries, and/ or other observable data. Unless otherwise stated herein, the value expressed is based on the general expertise and qualifications of the appraiser as to the appropriate market and valuation for the item involved. Where particular detailed valuation information is relied upon, it will be so stated in writing. If a market used in the development of the value conclusions was other than balanced, it will be so noted.

In general, the examined item is in average condition. Any alterations from original condition or damage beyond that usual and common for items of similar age are so noted in the body of the appraisal report. Because item condition is a heavily weighted factor in the determination of value, the appraiser has included an indication of condition for the item. The conditions are defined as follows: *Good*—Typical for its type and age; no restoration is needed. *Average*—Typical for its type and age with normal wear and tear. *Fair*—Not typical for its type and age, damaged beyond normal wear and tear.

Unless stated elsewhere, this appraisal is based only on the readily apparent identity of the appraised items, and no further opinion nor guarantee of authenticity, genuineness, attribution or authorship is made.

The appraised item is understood to be owned by the Client unless noted otherwise in this report. The appraised value is based upon the whole interest and possessory interest of the Client, undiminished by any liens, fractional interests or any other form of encumbrance of alienation. However, this appraisal is not an indication or certificate of title of ownership. The identification of the interest of the client has been represented to me by the Client and no inquiry or investigation will be made nor is any opinion to be given as to the truth of such representation.

The value conclusion herein is based on the appraiser's best judgment and opinion and are not a representation or warranty that the items will realize the estimated value if offered for sale at auction or otherwise. The values expressed are based on current information of the date the appraisal was made. No opinion is expressed as to any past value, nor, unless otherwise expressly stated, as to any future value.

Where this appraisal is based not only on the item, but also on factual data or documentation supplied therewith, this appraisal report shall so state my making reference thereto and, where appropriate, attaching copies thereto.

Should, in conjunction with this appraisal, additional services of the appraiser be requested by the client, his agent or attorney, or the courts (such as added time researching for other value purposes, pretrial conferences, court appearances, court preparations, etc.), compensation shall be at the customary hourly rate charged by the appraiser at that time and shall be paid by the client immediately upon receipt of a statement for said work.

I regard all information concerning this appraisal as confidential. I retain a copy of this document along with my original notes. I will not allow others to have access to these records without your written permission unless so ordered by a court of law.

My qualifications to conduct this appraisal are listed in the attached Professional Profile.

Certification

I certify that to the best of my knowledge and belief:

- a. Statements of fact contained in this report are true and correct. The opinions stated are based on a full and fair consideration of all the facts available.
- b. The reported analyses, opinions, and conclusions are limited only by the reported critical assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- c. I have no undisclosed past, present or contemplated future interest in the appraised items or in any proceeds to be derived therefrom, and further I have no personal interest or bias with respect to the parties or property involved in this assignment.
- d. Neither employment nor compensation for this appraisal were contingent upon the reporting of a predetermined value that favors the client, on the amount of the value estimate, on the attainment of a stipulated result, or on the occurrence of a subsequent event related to the intended use of this report. Valuation is based solely on my research and analysis of comparative market data. My fee is based on an hourly rate.
- e. I have personally inspected the listed property that is the subject of this report.
- f. Unless noted elsewhere, no one provided significant professional assistance to the person signing this report.
- g. I am a qualified appraiser specializing in fine art, antiques, and historical subjects. My qualifications are listed in the addendum of this report.
- h. Unless noted elsewhere, this report is offered with no other contingent or limiting conditions which would affect the values stated.
- i. I have employed the comparative market data approach using appropriate comparables found in the Atlanta area. The income and cost approaches were inappropriate for this appraisal.
- j. This appraisal has been prepared in conformity with and is subject to the International Society of Appraisers' *Appraisal Report Writing Standard* and to the *ISA Code of Ethics*. In addition, my analyses, opinions, conclusions were developed, and this report has been prepared, in conformity with The Appraisal Foundation's *Uniform Standard of Professional Appraisal Practice (USPAP)*. Any departure from these standards, the reasons for such departure, and its impact on the appraiser's value conclusions were discussed with the client in advance and are noted in this report.

Total pages of this report: 8 plus addendum
Total number of items appraised: 1

Examination date: December 19, 2007
Research dates: December 19, 2007 - March 18, 2008
Effective date: December 19, 2007
Issue date: April 9, 2008



Debra Freer, ISA
Aaron Appraisal Services
Accredited Senior Appraiser

Item 1.

Object: Theater Organ
Maker: M. P. Möller, Inc. (Hagerstown, Maryland, 1875-1992) — See Addendum for a company history.
Description: Moller Opus 5566 Theater Organ with four manuals, forty-two ranks and 3,622 pipes hidden behind two trefoil arches supported by faux balcony together with five chambers (see the Addendum - Tab #3, for a list of stops, sound effects, chambers and contents) custom built for the Atlanta FOX Theatre in 1928/29. Within the five chambers are actual instruments and objects used to create dozens of sound effects, including songbirds, sirens, a Ford horn, chimes, cymbals, and a locomotive whistle. They include (in part): Ludwig snare drums, base drums, tom tom drums, Zildgian cymbals, a bell from a 1928 RR locomotive, Ford horn, sleigh bells, Chinese blocks. The organ rests upon a Peter Clark lift (Radio City's was also created by Clark) along with a six foot Baldwin grand piano directly operated by the organ.
Condition: Overall, the condition is average. The instrument is in working order, and maintained which included previous restoration and rewiring.

Replacement

Cost: \$4,800,000.00

Comments: Of the list of seventeen (17) theatres and organs below showing the most notable theatre organs in the USA (shown in order of their ranks) only one was made by Moller and it was custom built in 1929 for the Fox Theater in Atlanta. In the words of Beauchamp C. Carr, of Atlanta Landmarks, which operates the Fox, "The Möller organ is the Fox's soul, ..."

- Radio City Music Hall New York, New York - 4 manuals, 58 ranks (Wurlitzer, 1932)
- Fox Theatre, Atlanta, Georgia - 4 manuals, 42 ranks (Moller, 1929)
- Fox Theater, Detroit, Michigan - 4 manuals, 36 ranks (Wurlitzer, 1927)
- Fox Theatre, St. Louis, Missouri - 4 manuals, 36 ranks (Wurlitzer, 1927)
- Chicago Theatre, Chicago, Illinois - 4 manuals, 29 ranks (Wurlitzer, 1921)
- Shea's Performing Arts Center, Buffalo, New York, 4 manuals, 29 ranks (Wurlitzer, 1926)
- The Alabama Theatre, Birmingham, Alabama, 4 manuals, 29 ranks (Wurlitzer, 1927)
- The Rialto Square Theatre, Joliet, Illinois, 4 manuals, 28 ranks (Barton, 1926)
- Paramount Theatre, Denver, Colorado - 4 manuals, 20 ranks, 2 consoles (Wurlitzer, 1930)
- Paramount Theatre, Seattle - 4 manuals, 20 ranks (Wurlitzer, 1928)
- Byrd Theatre, Richmond, Virginia - 4 manuals, 17 ranks (Wurlitzer, 1928)
- Avalon Casino, Avalon, California - 4 manuals, 16 ranks (Page, 1929)
- Orpheum Theatre, Los Angeles, California - 3 manuals, 14 ranks (Wurlitzer, 1926)
- Michigan Theater, Ann Arbor - 3 manuals, 13 ranks (Barton, 1927)
- Redford Theatre, Detroit, Michigan - 3 manuals, 10 ranks (Barton, 1928)
- California Theatre, San Bernardino, California - 2 manuals, 10 ranks (Wurlitzer, 1928)

It was the birth of silent films in 1895 that gave rise to the theatre organ. The instrument was also referred to as a "cinema organ" or a "unit orchestra," and in the heyday of silent films, took the place of an orchestra or filled the gap between simple piano accompaniment or that of a full orchestra. Originally, the term "theatre organ" referred to a pipe organ original designed specifically to imitate an orchestra but as the instrument evolved, new designs incorporated sounds unique to the instrument itself. Theatre organs were built in large numbers and in a variety of sizes during the silent film era and into the early 1930s. Some theatre organs were as elaborate as the movie palace they were designed for. Most were made by American makers with a small number made by European organ builders.

More than 7000 theatre organs were installed in American movie houses from 1915 to 1933, today, fewer than 40 remain in their original theatres and according to some sources even fewer, have been restored and are operational.

The organ is remarkable for a theatre organ because it also includes pipes for a church organ, located on top of the "bridge" over the proscenium of the stage. Thus the organ can be played as a church organ as well as a theatre organ. It is noteworthy that the Mighty Mo is among the shrinking list of instruments which remain installed in the theatre for which it was designed; many theatre organs which remain today have been preserved only through removal from their original homes.

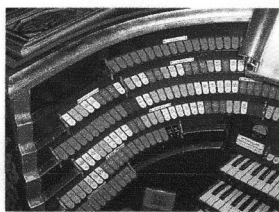
Much has been written about the Fox's Moller organ in various books and publications (see the Addendum) and the organ is featured on various recordings. The instrument is played on a regular basis particularly the summer film series and is beloved by the public.



Above image, Overall from front



As seen looking down from the top



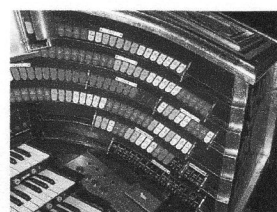
Left bolster containing the Pedal & some Accompaniment stops.



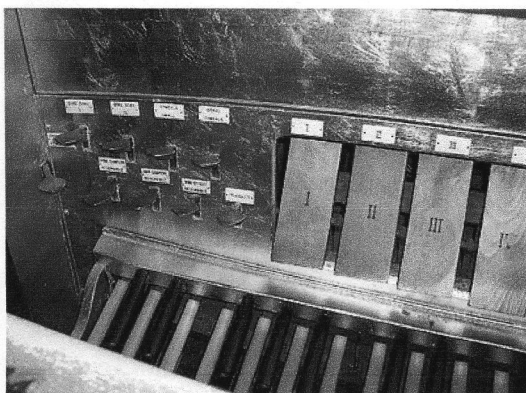
The back rail and center bolster containing the great stops, tremulants and second touches.



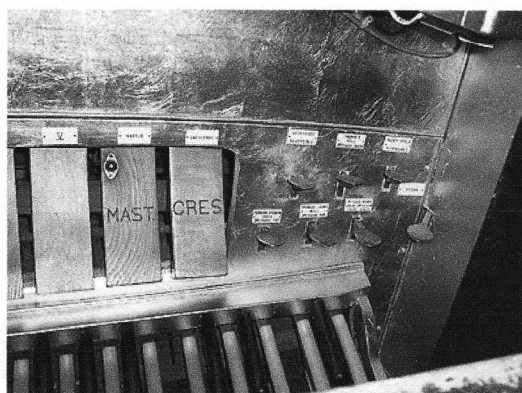
Right bolster curve containing the solo stops.



Right bolster containing the Orchestral stops.



The toe studs and swell shoes, looking left.



The toe studs and swell shoes, looking right.